This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 03 KATHMANDU 000795

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STATE FOR SA/INS AND DS/IP/NEA STATE ALSO PLEASE PASS USAID/DCHA/OFDA STATE ALSO PLEASE PASS PEACE CORPS HQ USAID FOR ANE/AA GORDON WEST AND JIM BEVER MANILA FOR USAID/DCHA/OFDA LONDON FOR POL/RIEDEL TREASURY FOR GENERAL COUNSEL/DAUFHAUSER AND DAS JZARATE TREASURY ALSO FOR OFAC/RNEWCOMB AND TASK FORCE ON TERRORIST FINANCING JUSTICE FOR OFFICE OF THE DEPUTY ATTORNEY GENERAL/DLAUFMAN

E.O. 12958: N/A

TAGS: PINS PTER CASC PGOV NP SUBJECT: UPDATE ON NEPAL'S MAOIST INSURGENCY, APRIL 26-May 2

REFERENCE: (A) KATHMANDU 0769

(B) KATHMANDU 0140 (C) KATHMANDU 0707

(D) KATHMANDU 0677

SUMMARY

killers.

 $\P 1.$ On April 27 negotiators representing the Government of Nepal (GON) and the Maoists held the first round of exploratory peace talks (Ref A). Amnesty International (AI) published a report on April 23 claiming over a thousand Maoist cadres remain imprisoned. A strike on April 29 called by the All Nepal National Independent Students' Union-Revolutionary (ANNISU-R), the Maoist aligned militant student group, shut down the Kathmandu Valley. Groups representing victims of the Maoist insurgency continue to pressure the GON to address their needs and implement rehabilitation programs. The family of Krishna Mohan Shrestha, Inspector General of the Armed Police Force (APF), who was murdered along with his wife and bodyguard (Ref B), has also criticized the GON for releasing the accused

FIRST ROUND OF TALKS BRINGS OPTIMISM

On April 27 negotiators for the GON and Maoists held their first round of peace talks in which the Maoists presented their agenda of twenty-four demands (Ref A). Narayan Singh Pun, Minister of Physical Planning and Works and government negotiator, speaking to reporters after the talks, said the GON would introduce its agenda in phases. The local press reported that both sides termed the talks "positive," and Minister Pun said he was "fully optimistic" "positive, about the success of the peace talks. Local academics have expressed confidence that the talks will succeed, and stressed the importance of making lasting peace the top priority of the talks. No date has been set for the next round of dialogue.

BHATTARAI SAYS MAOISTS WILL RETURN TO VIOLENCE

Baburam Bhattarai, head of the Maoist negotiating team, addressed a public rally on May 1 and warned of violent consequences if the GON does not take the Maoist agenda seriously. Bhattarai threatened a repeat of the Dang and Syangja attacks, and promised the crowd of Maoist workers that his party was ready to take any measures necessary against the GON. (Note: After the Maoists abruptly walked out of the third round of failed peace talks in 2001, they launched brutal attacks simultaneously on November 23 against army barracks in Dang District, killing fourteen soldiers, and on a police post in Syangja District, which killed thirty-seven policemen. End Note.)

AI REPORT REFUTED

14. A report published on April 23 by Amnesty International (AI) estimates that over one thousand suspected Maoist cadres remain imprisoned. The report, however, fails to mention the source of the statistics. Brigadier General B.A. Sharma, head of the Royal Nepal Army's (RNA) Human Rights Investigation Cell, speaking at a press conference on April 23, denied the army was holding any Maoist prisoners. Sharma said the army had released all Maoists in custody after the cease-fire was announced. The GON continues to release Maoist cadres continually, as part of the ceasefire agreement, including two of the top Maoist Central Committee Members (Ref C). The AI report acknowledges that the gradual release of prisoners, as peace talks progress, is part of the agreed upon code of conduct. 15. Thirty-four more Maoist detainees, including five females, were released this week from jails throughout Nepal.

MAOIST STUDENTS REFUSE TO CALL OFF STRIKE

 ${ t \underline{ {1}}} 6$. The All Nepal National Independent Students' Union-Revolutionary (ANNISU-R), the Maoist aligned student group, refused to withdraw its call for a nation-wide strike on April 29. The Maoist student wing was the only student union out of eight that refused to cancel the second day of strikes (Ref D) this week. Instead, members of the ANNISU-R reportedly went on a rampage that included arson, stone throwing, damaging buildings, and destroying over thirty vehicles. The strike, which disrupted activity across the Kathmandu Valley, prevented many youths from taking final exams, shut down most businesses, and halted public transportation. Devendra Parajuli, President of ANNISU-R, told reporters that the strikes were necessary and would continue until their imprisoned cadres were released and those responsible for killing and beheading two students a week ago were arrested. Parajuli has accused the GON of ordering the killings of the students. Police Headquarters announced on April 29 that a special investigating team had been formed to probe the murders.

VICTIMS SEARCH FOR ANSWERS

- \P 7. As the first round of peace talks began, victims of the insurgency are questioning the GON's commitment to rehabilitation efforts. Groups representing victims of the Maoist insurgency gathered in Kathmandu on April 26 to demand representation at the peace talks and in government, and rehabilitation assistance. The victims' groups claim that the GON has failed to implement promised programs, halted financial assistance, and failed to deliver scholarship packages to orphans. Others gathered in search of justice and to pressure authorities to search for missing relatives such as those recently abducted by Maoists in Fungling District. The families alleged to the local press that the police are not interested in helping despite the insurgents' admission that they are responsible for the kidnappings. Maoists reportedly have abducted five other people, including a teacher, from the eastern district of Therathum on April 28. All five remain missing.
- The family of Krishna Mohan Shrestha, Inspector General of the Armed Police Force (APF), who was murdered along with his wife and bodyguard (Ref B), are also questioning whether or not his killers will be brought to justice. The GON recently released those accused of the murders after failing to file a case against them within the required time frame. Shrestha's mother told reporters that the GON's disregard for the case against her son's killers has hurt her deeply. A local paper also quoted a senior official of the Armed Police Force saying the APF strongly condemns the GON's inactions as demoralizing and de-motivating. The GON has offered no official explanation for the release, although it appears to be politically motivated.

INSURGENCY DAMAGES AGRICULTURE

19. Figures released in April from research conducted by the Centre For Economic and Social Development over a six-month period show that the insurgency took a heavy toll on Nepal's farmers. The center reported that almost half a million farmers were displaced, with the highest number in the midwestern region. Up to fifty percent of the farmers were forced to leave their land because their lives reportedly were threatened, and one third of them left to avoid extortion attempts by the insurgents. The migration of the farmers has had a negative impact on the agricultural industry, causing over two hundred small-scale industries to

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